

Amend CSHB 388 as follows:

(1) On page 1, line 21, between "school" and "certifies" insert "is not a related party as defined by this section".

(2) On page 2, between lines 7 and 8, insert new Subsections (e), (f), and (g) to read as follows:

(e) A "related party" means:

(1) a party with a current or former board member, administrator, or officer who is:

(A) a board member, administrator, or officer of an open-enrollment charter school; or

(B) related within the third degree of consanguinity or affinity, as determined under Chapter 573, Government Code, to a board member, administrator, or officer of an open-enrollment charter school;

(2) a charter holder's related organizations, joint ventures, and jointly governed organizations;

(3) an open-enrollment charter school's board members, administrators, or officers or a person related to a board member, administrator, or officer within the third degree of consanguinity or affinity, as determined under Chapter 573, Government Code; and

(4) any other disqualified person, as that term is defined by 26 U.S.C. Section 4958(f).

(f) For purposes of Subsection (e), a person is a former board member, administrator, or officer if the person served in that capacity within one year of the date on which a financial transaction between the charter holder and a related party occurred.

(g) In a charter holder's annual audit filed under Section 44.008, the charter holder must include a list of all transactions with a related party and all lease transactions under this section.